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In Reply Refer To  
1520 (BC-653)P

September 5, 2003

EMS TRANSMISSION

Instruction Memorandum No. BC-2003-060

Expires: 09/30/2004

To: All Washington Office and Field Office Officials  
Attention: Administrative Officers and Property Managers

From: Director, National Business Center

Subject: FY 2004 Capitalization Threshold Change

Program Area: Personal Property Management

Purpose: This Instruction Memorandum (IM) informs Bureau personnel of the change in the capitalization threshold for FY 2004.

Policy/Action: Effective October 1, 2003, the capitalization threshold for personal property will change from \$10,000 or greater to \$15,000 or greater for each individual property asset that is acquired through purchase, excess transfer, or donation. This would include:

- All assets with an original acquisition value of \$15,000 or greater that are classified as personal property and have a useful life of two years or more; the asset is not intended for sale by the Bureau/office.
- Any "betterment" to an asset that meets or exceeds \$15,000; these assets must also be recorded as a separate item.

Accountable Property

The increase in the capitalization threshold for financial and property records will not affect the \$5,000 accountability threshold. All items received between \$5,000 - \$14,999 will now be

recorded as FA type ES/IS for equipment sensitive in the Fixed Assets (FA) Personal Property System. Those existing capitalized items that were acquired in FY 2003 and prior years will continue to be recorded in the FA property subsystem as FA type EC/IC for equipment capitalized.

Timeframe: The capitalization threshold increase will be effective October 1, 2003

Budget Impact: No budget impact is anticipated.

Background: To improve efficiencies in operations and reporting, the Department of the Interior Office of the Secretary, Office of Financial Management, will periodically increase the capitalization thresholds for personal/real property management. Bureaus, at their discretion, can establish lower thresholds.

Manual/Handbook Sections Affected: BLM Manual 1520, Chapter 1, Accountability.

Coordination: This IM was coordinated within the Property Operations Group (BC-653) and with WO-850, Property Acquisition and Headquarters Services Group.

Contact: Questions regarding this directive should be addressed to Kathy Montgomery, BC-653, at (303) 236-9460; for further policy clarification, please contact Jim Crews, BC-653, at (303) 236-4676.

Signed by:  
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Distribution  
BC-653  
WO-850